



Irish Life Weekly Investment Bulletin

The week that was – WEEK 48 (ending 01/12/2017)

“Knowledge isn’t power until it is applied.” - Dale Carnegie

Irish manufacturing reading jumps to highest level in 18 years – The latest Investec Purchasing Managers Index (PMI) manufacturing reading for November was 58.1, up from October's 54.4, and the highest level reached since December 1999, reducing fears of a Brexit slowdown in the sector and the economy.

Eurozone unemployment rate drops to near eight-year low – Figures from the Eurostat agency showed the unemployment rate was 8.8 % in October, the lowest rate since January 2009. The highest were in Greece (23.1%) and Spain (18%) while the lowest rates were in the Czech Republic (3.4%) and Germany (3.9%).

Global stock market up 0.2% on the week – The MSCI AC World TR Index showed a 0.22% rise from the 24th November to 1st December as expectations of the U.S. tax reform bill being passed by Congress improved. Volatility, as measured by the VIX, finished the week at 12.43, down from 9.67 the previous week.

Oil exporters agree to keep production limits in place through 2018 – The Organization of Petroleum Exporting Countries (OPEC) and Russia agreed to maintain oil production cuts until the end of 2018. Libya and Nigeria even agreed limits for the first time as they were originally exempted from cutting production.

U.S. consumer confidence jumps to 17-year high – The Conference Board reported that the Confidence index rose to 129.5 (the best figure since November 2000), from a revised 126.2 in October. Many consumers indicated they planned to step up purchases of big-ticket items, as well as more intentions of taking vacations.

UK reportedly agrees to meet Brexit bill demands – Numerous reports during the week quoted EU diplomats as saying that the British have made a “divorce bill” offer that is described as “promising” and brings the two sides “close to a deal” on moving negotiations on to a future trade agreement and the ‘Irish border’.

The Story of the week: London has opened Europe's first 'Selfieccino' or selfie cappuccino café, where customers can sip on their own faces as digital print outs of their headshots can be recreated on a frothy cappuccino in less than 30 seconds. The Tea Terrace on Oxford Street is the place where customers with can take their selfie-obsessed, coffee-shop habit to a new level. Ordering is as simple as sending a selfie image via messaging app to the barista and supposedly the "Selfieccino" coffee is the latest trend to take Instagram and the Internet by storm.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 01/12)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	18.5
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	6.8
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	6.2
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	9.8
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	20.2
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	27.2
Nikkei 225	22.9	56.7	7.1	9.1	0.4	19.4
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	24.4
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.2
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.2
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.5
Italy	4.6	4.1	2.1	1.6	1.8	1.7
Greece	12.7	8.2	9.6	7.9	7.1	5.4
Portugal	6.9	6.1	2.7	2.5	3.8	1.9
Spain	5.4	4.1	1.6	1.7	1.4	1.4
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.18
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.35
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	6.9% (to end of Q3)
U.K.	2.7	10.7	17.8	13.1	3.6	7.1% (to end of Q3)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance